



FEDERAL ENERGY REGULATORY COMMISSION

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State, Federal Regulators Offer Criteria for DOE Smart Grid Stimulus Funding

State and federal regulators today outlined a list of criteria for the Department of Energy to consider when it starts providing grant and other funding for Smart Grid projects under the 2009 stimulus bill.

The regulators, members of the Smart Grid Collaborative jointly sponsored by the National Association of Regulatory Utility Commissioners (NARUC) and the Federal Energy Regulatory Commission (FERC), developed the criteria as a consensus for establishing preconditions under which Smart Grid projects would be funded through the American Recovery and Reinvestment Act of 2009.

“Getting a smart grid established in America is very important,” FERC Commissioner Suedeen Kelly said. “We believe we can do this in a way that expands opportunities for consumers while keeping the grid safe, secure and reliable. We want the money that Congress has dedicated to this effort to be put to its best use. The criteria we propose today are a consensus among 19 states and FERC on the best way that DOE can efficiently and effectively fund smart grid demonstration projects.”

“We are grateful for the money Congress allocated to Smart Grid projects in the stimulus bill, but we must lay out clear ground rules that will ensure that the money is being used for its intended purpose,” said NARUC President Frederick Butler of New Jersey. “The criteria we are proposing reflects the consensus among State and federal regulators that any Smart Grid stimulus funding must be used for projects that enhance the safe, reliable, affordable, intelligent, and interactive operation of the interstate transmission and local distribution systems.”

Among the criteria are suggestions Collaborative members would find helpful in carrying out their legal responsibilities as they relate to the Smart Grid. The criteria are broken down into eight categories focusing on the preconditions for the grants themselves, technologies, rate designs, and regulatory issues.

Specifically, the Collaborative members suggest that DOE should require that applications for smart-grid grant money demonstrate how the project will provide for interoperability in the absence of approved standards, address cyber security concerns, and maintain the reliability and integrity of the grid. Additionally, DOE’s criteria should state that grant-funded projects should focus on both the transmission and distribution system and include a range of technologies—not just meter installation.

The criteria can be found at <http://www.ferc.gov/industries/electric/indus-act/smart-grid/FERC-NARUC-collaborative.pdf>. More information on the NARUC-FERC Smart Grid Collaborative is available at <http://www.naruc.org/Ferc/default.cfm?c=3>.

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